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June 24, 1994

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D. C. 20554

RECEIVED
JUN 24 1994
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Filing in Docket 93-197
Revisions to Price Cap Rules for AT&T

Dear Mr. Caton:

I have attached a description of a study conducted on the impact of changes to AT&T's Equipment Blockage and Failure Report. The study and results were previously discussed with Dan Grosh and Suzan Friedman of the Tariff Division. Please include this material in the record for this proceeding.

Two copies of this Notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles L. Ward".

Attachment

Copy to:

S. Friedman
D. Grosh

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List ABCDE

EQUIPMENT BLOCKAGE AND FAILURE INDEX

A meeting was held on June 14, 1994 with the FCC in connection with the planned changes in the reporting criteria for the semi-annual AT&T Service Quality Report, the Equipment Blockage and Failure report (EB&F).

The meeting began with a background review of the development of the EB&F index. AT&T is currently in the process of up-grading the EB&F measurement process and in conjunction with that effort, will eliminate Canada and the 809 area code (excluding Puerto Rico and the U.S. Virgin Islands, hereinafter, Canada and 809) from the analysis. This action will limit the service quality analysis to traffic that is truly domestic, Canada and 809 being international. In order to determine the impact of this adjustment on the index, a four-month statistical analysis of the results was performed by Dr. Miguel R. Martinez-Heath.

Dr. Martinez-Heath's data consisted of 127 data points for each of the months, February through May, 1994. These data points were the average of the machine observations recorded during each month and resulted in an EB&F average for each of the study months. This data was used to test the statistical hypothesis that excluding Canada and 809 would make no difference in the index.

Using the Central Limit Theorem, it was possible to validate the hypothesis by fitting a normal distribution curve to the differences in the data measured with Canada and 809 and without Canada and 809. The methodology used to fit the distribution was Maximum Likelihood Estimates. The results (See Attachment) for the comparison are as follows:

ALL FACTORS

Mean = 0.01

Standard Deviation = 0.012

AT&T ONLY

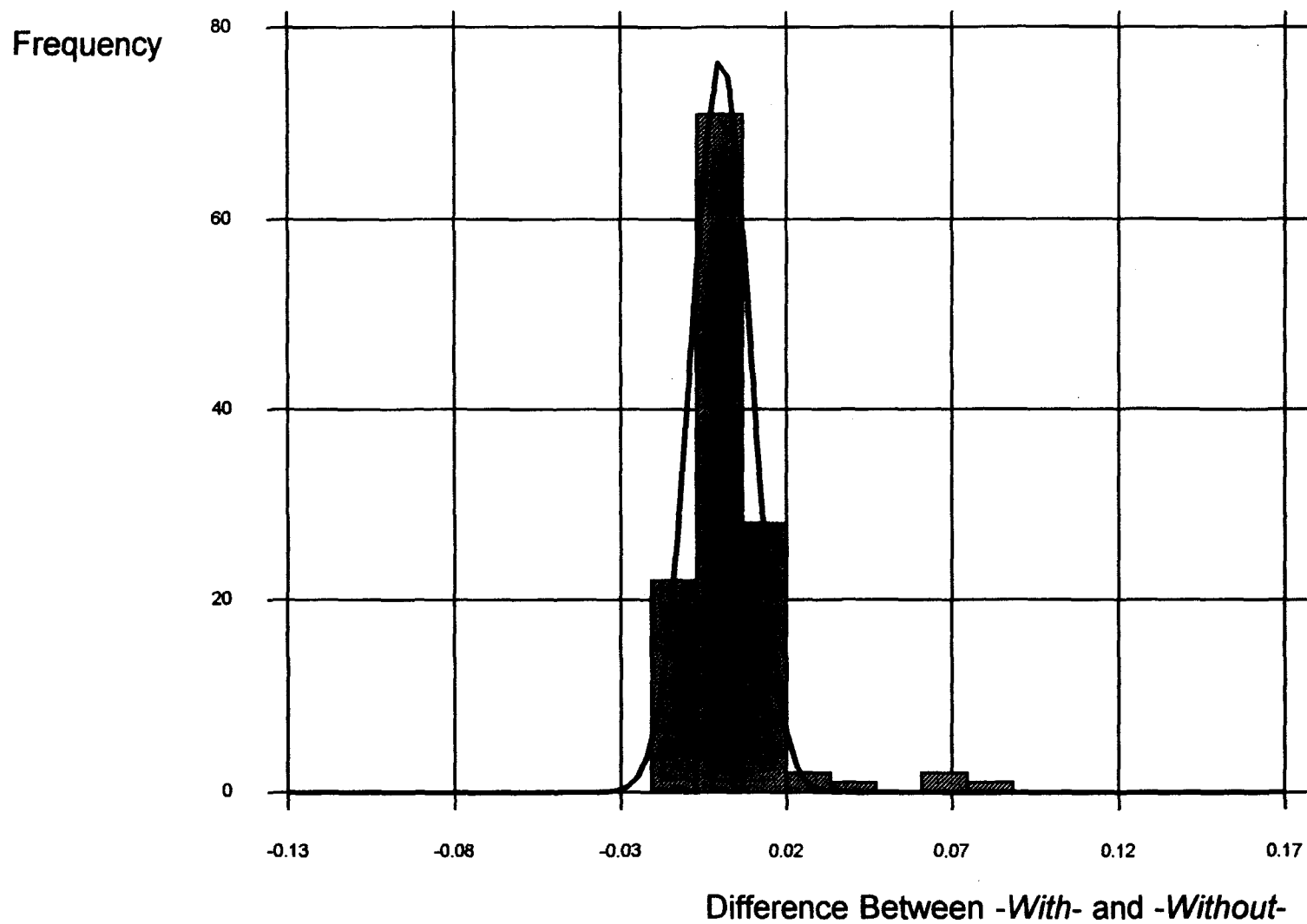
Mean = 0

Standard Deviation = 0.009

In both, All Factors and AT&T Only, zero is within the 90% confidence interval, therefore, it can be said that statistically there is no difference if Canada and 809 are excluded from the data or not.

The Commission requested a comparison of the aggregated numbers with and without Canada and 809 for the four month study period. The comparison was completed on June 17, 1994 with a resulting difference of 0.018 for the All Factors category and 0.000 for the AT&T Only category.

AT&T Numbers With and Without Canada/809
February-May 1994



Total Numbers With and Without Canada/809
February-May 1994

